



A clear, impartial guide to
Compulsory purchase



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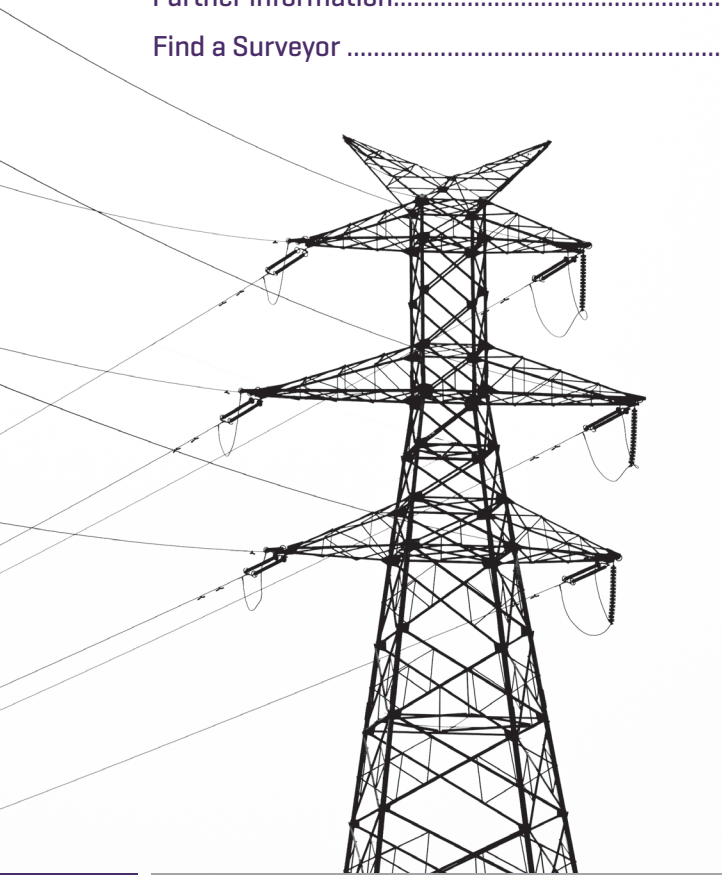
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What is compulsory purchase?

‘Compulsory purchase’ is where the state or a public body is allowed to take your property (this means land and/or buildings) by right where it is needed in the public interest.

It may happen when all or part of your property is needed for a development project.

Compensation will be paid to you for any property or rights taken from you.

What happens is that a body, which could be central government, a local council, a utility company (for example a gas, electricity or water supplier) or numerous other bodies including some private companies can obtain the legal powers to buy all or part of your private property. You will have to sell even if you don’t want to.

Some examples of the types of projects where compulsory purchase may be needed are:

- town centre regeneration
- housing developments
- road building projects
- rail building projects
- airport expansions
- electricity power plants pylons and cables
- flood defence works
- sewer, water or gas pipeline schemes.

Compulsory purchase has been used on large construction projects, for example, the 2012 Olympics and will be used for the HS2 rail project from London to Birmingham and through to Leeds after Manchester if it goes ahead. It is not only used for large projects though; it can be used for very small projects too.

The body that acquires the legal powers of compulsory purchase is often called an 'acquiring authority'.

When the 'acquiring authority' obtains the legal powers to purchase all or part of your property they will issue a Compulsory Purchase Order [CPO].

The compulsory purchase process takes time and there are many stages where you can make your views known. It is important therefore to become involved as soon as possible.



What you can do about compulsory purchase

Before any CPO is issued the 'acquiring authority' will have to do a number of things. They will publicly advertise the project they are proposing.

Anyone, regardless of whether their property will be directly affected by the project or not, can object to the project.

There will be rules that you must follow so that your objection is considered. For example, you will need to make your objection in writing and by a certain date. Make sure you follow the rules.

The 'acquiring authority' will also probably serve what are called 'notices' to people who have properties that they need to purchase.

Almost all CPOs have to be approved by the government or Parliament.

What to do if you're served with a notice

If the 'acquiring authority' needs your property then they will be obliged to send you a 'notice' (this is a statutory or legal notice) and you should pay attention to it.

If you have received an initial 'notice' you have a right to 'object' to the project. You must object within the time limits set out in the notice. Any objection that you have must be about the proposed project itself. At this stage, you cannot object to the amount of compensation you will be awarded should the project go ahead.

In most cases, all the people who have objected to the project will be able to have their case heard.

All the objections received must be considered by the relevant authority who will then decide whether to confirm the CPD.

If the relevant authority is satisfied that the powers of compulsory purchase should be given to the 'acquiring authority' they will confirm this. This is called 'confirmation' of the CPD.

It may be possible to challenge the 'confirmation' of the CPD within a specified time limit of the decision. This challenge has to be brought in the High Court and you should get specific legal advice if you are thinking about doing this.

Reclaiming professional fees

Property owners' reasonable professional fees can be reclaimed from the 'acquiring authority' so this means that if you have hired a professional for advice or assistance then you should be able to get their fees back from the 'acquiring authority' once your property has been taken.

If you are planning to use the services of an RICS chartered surveyor, they will need to agree their fee basis with the acquiring authority.

Above all, act as soon as possible; do NOT hope that nothing will happen and it will all go away.



Compensation is available and how you can claim it

Compensation is paid to reflect the losses and disturbance caused by a compulsory purchase or statutory scheme on an owner or occupier's property.

The assessment of compensation for compulsory purchase is governed by the 'compensation code'. This is not a single 'code' but the combination of various Acts of Parliament and legal decisions. It is a very complex body of law that affects the way in which compensation is to be assessed and who can claim it. You are advised to get specialist advice from a professional.

Where a simple property (e.g. a house or flat) has been taken, the principles are fairly straightforward. The compensation will be the market value of the property concerned, ignoring any increase or decrease in value caused by the effect of the development.

In addition, reasonable removal costs can be claimed, together with the costs of adapting carpets and curtains (if these can be reasonably removed), the stamp duty on buying an equivalent new home and reasonable legal and lender's fees in buying a new property.

You may also receive a further 'Loss Payment' as extra compensation because of the inconvenience.

If only part of your property is acquired you will also be entitled to the loss in value of your remaining property together with the value of the land that has been taken.

This can be difficult to assess and requires specialist advice from a professional such as a chartered surveyor.

If you are not losing any part of your property but are still affected by noise or certain other physical factors or interference (such as loss of access to your property) you may also be entitled to claim compensation. Your professional advisor will be able to provide more information about this.

If you own or occupy business premises, the position is more complex but you may need to relocate the business. You should take early advice from your professional advisor.

In all cases, if you are affected by compulsory purchase you must act reasonably and not undertake actions that will unnecessarily increase compensation.

Free RICS guides

RICS has a range of free guides available for the property issues listed here.

Development issues

- Compulsory purchase
- Home extensions

Home hazards

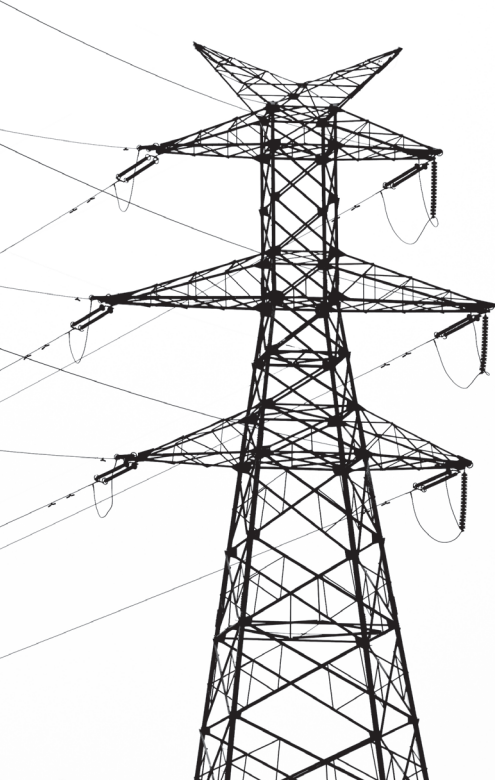
- Dilapidations
- Flooding
- Japanese knotweed
- Subsidence

Neighbour issues

- Boundary disputes
- Party walls
- Right to light

Residential

- Buying a home
- Buying and selling art and antiques at auction
- Home surveys
- Letting a property
- Property auctions
- Renting a property
- Selling a home



Further information

We hope this guide is useful to you. If you'd like to know more about Compulsory Purchase, or how RICS can help, please contact us.

Visit our website

www.rics.org/consumerguides

alternatively email

contactrics@rics.org or call the RICS Contact Centre **02476 868 555**

Consumer helplines

RICS offers telephone helplines giving you 30 minutes of free advice on:

- Boundary disputes
- Party walls
- Compulsory purchase.

Just call **02476 868 555** and you will be put in touch with an RICS member local to you, willing to provide a free 30 minute initial consultation.

Lines are open

0830 –1730 (GMT), Monday to Friday.

Find a Surveyor

Contact us if you want to find independent, impartial advice from a qualified professional with good local knowledge.

Look out for firms that are 'Regulated by RICS'. Estate agents and surveying firms that are regulated by RICS are easy to spot as they use 'Regulated by RICS' on their stationery and promotional material.

To find an RICS firm in your area visit

www.ricsfirms.com

alternatively email

contactrics@rics.org or call the RICS Contact Centre **02476 868 555**



Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve.

We accredit 125,000 professionals and any individual or firm registered with RICS is subject to our quality assurance. Their expertise covers property, asset valuation and real estate management; the costing and leadership of construction projects; the development of infrastructure; and the management of natural resources, such as mining, farms and woodland. From environmental assessments and building controls to negotiating land rights in an emerging economy; if our professionals are involved the same standards and ethics apply.

We believe that standards underpin effective markets. With up to seventy per cent of the world's wealth bound up in land and real estate, our sector is vital to economic development, helping to support stable, sustainable investment and growth around the globe.

With offices covering the major political and financial centres of the world, our market presence means we are ideally placed to influence policy and embed professional standards. We work at a cross-governmental level, delivering international standards that will support a safe and vibrant marketplace in land, real estate, construction and infrastructure, for the benefit of all.

We are proud of our reputation and we guard it fiercely, so clients who work with an RICS professional can have confidence in the quality and ethics of the services they receive.

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